

SUBJECT: **CHARITY CARE POLICY**POLICY #: **PA 8000**ORIG. DEPARTMENT: **PATIENT ACCOUNTING**

APPROVED BY: Patient Accounts Manager

APPROVED BY: Chief Financial Officer

APPROVED BY: Administrator

EFFECTIVE: 7/10/02

REVIEWED: 12/8/06

REVISED: 12/8/06

**MISSION:**

It is our mission to provide a wide range of quality health care services to the people of North Okanogan County in partnership with physicians and other local regional providers. In providing these services, we recognize the importance of, and work to strengthen, the trust placed in us by our patients, their families and fellow Health care professionals.

**VALUES:**

- We are accountable to treat our patients with courtesy and dignity, respecting the diverse needs of multi-cultural community.
- We believe that personal well-being is based on physical, mental, spiritual and family health.
- We work together to provide a stimulating work environment characterized by teamwork, mutual respect and opportunity for personal growth.
- We recognize the importance of our financial viability to provide for advanced technology, modern facilities, and to support the economic security of the medical staff, and the health care professionals.
- We acknowledge that we have a shared responsibility in the economic and social stability of our community.
- We are committed to operating with integrity and in compliance with all government contracting laws and regulations.

**VISION:**

- To become a progressive first choice primary health care provider delivering a wide range of cost effective services which are responsive to the needs of the people of North Okanogan County.
- To empower people to become partners in their own health care through communication, education, and leadership.
- To improve the health status of our communities by promoting healthy lifestyles, providing education and cooperating with other health care resources.
- To develop improved health care insurance coverage by collaborating with existing health plans and networks of physicians and hospitals.

SUBJECT: **CHARITY CARE POLICY**POLICY #: **PA 8000****POLICY:**

In order to protect the integrity of operations and fulfill this commitment, the following criteria for the provision of charity care, consistent with the requirements of the Washington Administrative Code, Chapter 246-453, are established.

**PROCEDURE:****COMMUNICATIONS TO THE PUBLIC:**

North Valley Hospital's charity care policy shall be made publicly available through the following elements:

1. A notice advising patients that North Valley Hospital provides charity care shall be posted in key areas of the hospital, including Admissions, the Emergency Department, Billing and Financial Services.
2. North Valley Hospital will concurrently distribute a written notice indicating the policy to patients at the time that North Valley Hospital requests information pertaining to third party coverage. This written information shall also be verbally explained at this time. The patient must then sign the notice, indicating that he/she was duly informed of the availability of charity care. A copy of the signed notice will be placed in the patient's file. If for some reason, for example in an emergency situation, the patient is not notified of the existence of charity care before receiving treatment; he/she shall be notified in writing as soon as possible thereafter.
3. Both the written information and the verbal explanation shall be available in any language spoken by more than ten percent of the population in North Valley Hospital's service area, and interpreted for other non-English speaking or limited-English speaking patients and for other patients who cannot understand the writing and/or explanation. North Valley Hospital finds that the following non-English translation(s) of this document shall be made available: **Spanish.**
4. North Valley Hospital shall train front-line staff to answer charity care questions effectively or direct such inquiries to the appropriate department in a timely manner.
5. Written information about North Valley Hospital's Charity Care Policy shall be made available to any person who requests the information, either by mail, by telephone or in person. The hospital's sliding fee schedule, if applicable, shall be made available upon request.

**ELIGIBILITY CRITERIA:**

Charity care is generally secondary to all other financial resources available to the patient, including personal assets, group or individual medical plans, worker's compensation, Medicare, Medicaid or medical assistance programs, other state, federal, or military programs, third party liability situations (e.g. auto accidents or personal injuries), or any other

SUBJECT: **CHARITY CARE POLICY**POLICY #: **PA 8000**

situations in which another person or entity may have a legal responsibility to pay for the costs of medical services.

The medically indigent patient will be granted charity care regardless of race, color, sex, religion, age, national origin, or immigration status.

In those situations where appropriate primary payment sources are not available, patients shall be considered for charity care under this hospital policy based on the following criteria:

1. The full amount of the hospital charges will be determined to be charity care for a patient whose gross family income is at or below 150% of the current federal poverty level (consistent with WAC 246-435 plus 50%).
2. The following sliding fee schedule shall be used to determine the amount that shall be written off for patients with incomes between 151% and 300% of the current federal poverty level.

**INCOME AS A PERCENTAGE  
OF FEDERAL POVERTY LEVEL**

**PERCENTAGE DISCOUNT**

**151-200%**

**75%**

**201-250%**

**50%**

**251-300%**

**25%**

3. Catastrophic Charity. North Valley Hospital may write off as charity care amounts for patients with family income in excess of 300% of the federal poverty level when circumstances indicate severe financial hardship or personal loss.

The responsible party's financial obligation which remains after the application of any sliding fee schedule shall be payable in monthly installments over a reasonable period of time, without interest or late fees, as negotiated between the hospital and the responsible party. The responsible party's account shall not be turned over to a collection agency unless payments are missed or there is some period of inactivity on the account, and there is no satisfactory contact with the patient (See PA 8010 Private Pay Policy).

North Valley Hospital shall require a disclosure of resources from charity care applicants whose income is less than 150% of the current poverty level and does require a disclosure of resources from charity care applicants whose income is at or above 151% of the current federal poverty level.

Disclosure documents are:

1. **The previous or current years W-2 tax statements or completed income tax return.**
2. **Six months of bank statements showing direct income deposits.**
3. **Payroll check stubs showing income to date and hourly wages along with hours worked.**
4. **Completed financial statement.**

**PROCESS FOR ELIGIBILITY DETERMINATION:**

1. North Valley Hospital will allow a patient to apply for charity care at any point from pre-admission to final payment of the bill up to the point it is forwarded to an outside collection agency, recognizing that the patient's ability to pay over an extended period may be substantially altered due to illness or financial hardship, resulting in a need for charity services. If the financial status is temporary, North Valley Hospital may choose to suspend payments temporarily rather than initiate charity care.
2. Initial determination:
  - North Valley Hospital shall use an application process for determining eligibility for charity care. Requests to provide charity care will be accepted from sources such as physicians, community or religious groups, social services, financial services personnel and the patient.
  - During the patient registration process, pre-registration process, or at any time prior to the final payment of the bill and prior to the engagement of outside collection agencies, after the patient has been notified of the existence and availability of charity care, the hospital will make an initial determination of eligibility based on verbal or written application for charity care.
  - Pending final eligibility determination, the hospital will not initiate collection efforts or request deposits, provided that the responsible party is cooperative with the hospital's efforts to reach a final determination of sponsorship status.
  - If North Valley Hospital becomes aware of factors which might qualify the patient for charity care under this policy, it shall advise the patient of this potential and make an initial determination that such account is to be treated as charity care.
3. Final Determination:
  - Prima Facie write-offs. In the event that the responsible party's identification as an indigent person is obvious to hospital personnel, and the hospital can establish that the applicant's income is clearly within the range of eligibility, North Valley Hospital will grant charity care based solely on this initial determination. In these cases North Valley Hospital is not required to complete full verification or documentation. (In accordance with WAC 246-453-030 (3)).
  - Charity care forms, instructions, and written applications shall be furnished to patients when charity care is requested, when need is indicated, or when financial screening indicates potential need. All applications, whether initiated by the patient or the hospital, should be accompanied by documentation to verify income amounts indicated on the application form. Any one of the following documents shall be considered sufficient evidence upon which to base the final determination of charity care eligibility:
    - A W-2 withholding statement
    - Pay stubs from all employment during the relevant time period
    - An income tax return from the most recently filed calendar year

SUBJECT: **CHARITY CARE POLICY**POLICY #: **PA 8000**

- Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance.
  - Written statements from employers or DSHS employees.
  - During the initial request period, the patient and North Valley Hospital may pursue other sources of funding, including Medical Assistance and Medicare. North Valley Hospital may not require that a patient applying for a determination of indigent status seek bank or other loan source funding.
  - Usually, the relevant time period for which documentation will be requested will be three months prior to the date of application. However, if such documentation does not accurately reflect the applicant's current financial situation, documentation will only be requested for the period of time after the patient's financial situation changed.
  - In the event that the responsible party is not able to provide any of the documentation described above, the hospital shall rely upon written and signed statements from the responsible party for making a final determination of eligibility for classification as an indigent person (WAC 246-453-030 (4)).
4. Time frame for final determination and appeals.
- Each charity care applicant who has been initially determined eligible for charity care shall be provided with at least thirty (30) calendar days or such time as may reasonably be necessary to secure and present documentation in support of his or her charity care application prior to receiving a final determination of sponsorship status.
  - North Valley Hospital shall notify the applicant of its final determination within fourteen (14) days of receipt of all application and documentation material.
  - The patient/guarantor may appeal the determination of eligibility for charity care by providing additional verification of income or family size to the Patient Accounts Manager within thirty (30) days of receipt of notification.
  - The timing of reaching a final determination of charity care status shall have no bearing on the identification of charity care deductions from revenue as distinct from bad debts, in accordance with WAC 246-453-020 (10).
5. If the patient has paid some or all of the bill for medical services and is later found to have been eligible for charity care at the time services were provided, he/she shall be reimbursed for any amounts in excess of what is determined to be owed. The patient will be reimbursed within thirty (30) days of receiving the charity care designation.
6. Adequate notice of denial:
- When a patient's application for charity care is denied, the patient shall receive a written notice of denial which includes:
    - The reason or reasons for the denial and the rules to support the hospital's decision;
    - The date of the decision; and
    - Instructions for appeal or reconsideration.

**SUBJECT: CHARITY CARE POLICY****POLICY #: PA 8000**

7. When the applicant does not provide requested information and there is not enough information available for North Valley Hospital to determine eligibility, the denial notice also includes:
  - A description of the information that was requested and not provided, including the date the information was requested;
  - A statement that eligibility for charity care cannot be established based on information available to the hospital; and
  - That eligibility will be determined if, within thirty (30) days from the date of the denial notice, the applicant provides all specified information previously requested but not provided.
8. The Chief Financial Officer and/or Administrator will review all appeals. If this review affirms the previous denial of charity care, written notification will be sent to the patient/guarantor and the Department of Health in accordance with state law.

**DOCUMENTATION AND RECORDS:**

- Confidentiality: All information relating to the application will be kept confidential. Copies of documents that support the application will be kept with the application form.
- Documents pertaining to charity care shall be retained for five (5) years.
- A copy of the application form is attached.